

**REMARKS**

Claims 1, 3, 5-13 and 15-23 are pending in this application. By this Amendment, the specification is amended, claims 1, 3, 5, 9, 13, 15 and 16 are amended, and claims 2, 4 and 14 are canceled. Claims 3, 5, and 13 are amended to correct dependency, and claims 9 and 16 are amended to correct a typographical error. Support for amended claim 1 may be found in the original specification at, for example, original claims 2 and 4. Support for amended claim 13 may be found in the original specification at, for example, original claim 14. No new matter is added.

Applicants gratefully appreciate the indication that claims 6-12 are allowed and claims 4, 5, 14-17 and 20 contain allowable subject matter.

The courtesies extended to Applicants' representative by Examiner Shikhman at the interview held May 25, 2007, are appreciated. The reasons presented at the interview as warranting favorable action are incorporated into the remarks below and constitute Applicants' record of the interview.

**Specification Objection**

The specification was objected to for including attorney docket numbers instead of application numbers. The specification is amended to replace the attorney docket numbers with application numbers. As such, withdrawal of the objection is respectfully requested.

**Claim Objection**

Claim 16 was objected to for including a typographical error. In particular, the Patent Office asserts that "value of a either" recited in claim 16 should be replaced with "value of either."

Claim 16 is amended to replace "value of a either" with "value of either." As such, withdrawal of the objection is respectfully requested.

**Rejections Under 35 U.S.C. §102(b)**

Claims 1, 21 and 23 were rejected under 35 U.S.C. §102(b) as allegedly being anticipated by Ricardo de Queiroz, "Mixed Raster Content (MRC) Model for Compound Image Compression," (1998).

Claims 1-3 were rejected under 35 U.S.C. §102(b) as allegedly being anticipated by U.S. Patent No. 6,741,655 ("Chang").

Claims 13, 18 and 19 were rejected under 35 U.S.C. §102(b) as allegedly being anticipated by U.S. Patent No. 6,215,893 ("Leshem").

In light of the amended claims, all of the above rejections are moot.

In particular, claim 1 is amended to include the features of allowable claim 4, and claims 2 and 4 are canceled, and claim 13 is amended to include the features of allowable claim 14, and claim 14 is canceled.

Accordingly, independent claims 1 and 13, and dependent claims thereof, are patentable over the applied references. Thus, withdrawal of the rejections under 35 U.S.C. §102(b) is respectfully requested.

**Conclusion**

In view of the foregoing, it is respectfully submitted that this application is in condition for allowance. Favorable reconsideration and prompt allowance of claims 1, 3, 5-13 and 15-23 are earnestly solicited.

Should the Examiner believe that anything further would be desirable in order to place this application in even better condition for allowance, the Examiner is invited to contact the undersigned at the telephone number set forth below.

Respectfully submitted,



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